

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 258  
 SPONSOR: Senator Geller  
 SUBJECT: Public Funds  
 DATE: March 6, 2003      REVISED: 02/18/03 \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CP</u>	<u>Fav/1 amendment</u>
2.	<u>Johnson</u>	<u>Deffenbaugh</u>	<u>BI</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This bill authorizes local governments to pay expenses documented by a valid invoice by means of electronic funds transfer. Presently, local governments have the authority to withdraw or transfer funds from one depository to another or within a depository to another institution if the transfer does not represent an expenditure, advance, or reduction of cash assets.

This bill amends s. 215.85 of the Florida Statutes.

**II. Present Situation:**

The "Direct Deposit of Public Funds Act" in s. 215.85, F.S., provides authorization for all public agencies and the judicial branch to withdraw, pay, or disburse all public funds in their control by direct deposit to the account of the person entitled to receive such funds.

Paragraph (3)(b) defines the term "public funds" as:

“...all moneys under the jurisdiction or control of the state, a county, or a municipality, including any district, authority, commission, board, or agency thereof and the judicial branch, and includes all manner of pension and retirement funds and all other funds held, as trust funds or otherwise, for any public purpose.”

Subsection (5) provides procedures for wire transfer of public funds. Local governments are authorized to transfer funds from one depository to another or within a depository or to another institution, and to transfer funds “wherein the transfer does not represent an expenditure, advance, or reduction of cash assets.” Such transfers may be made by electronic, telephonic, or

other medium, and each transfer must be confirmed in writing and signed by the designee of the governing board or officer of the local government.

This act defines the term, “governing board or officer of a local government, to mean each individual or group of individuals, including, but not limited to, trustees, having lawful authority to withdraw, pay, or disburse public funds from depositories.

### **III. Effect of Proposed Changes:**

**Section 1.** Amends s. 215.85(5), F.S., to allow the governing board or officer of any local government with the authority to deposit or withdraw funds to “electronically transfer funds to pay expenses evidenced by a valid invoice.” This provision would provide an exception to the current restriction against transferring funds that “represent an expenditure, advance, or reductions of cash assets.”

**Section 2.** Provides that the bill will take effect July 1, 2003.

### **IV. Constitutional Issues:**

**A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

### **V. Economic Impact and Fiscal Note:**

**A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

To the extent that local governments use electronic funds transfer for the payment of expenses, as authorized by this bill, financial institutions may lose an indeterminate amount of income currently realized from fund balances maintained by local governments at the financial institutions. However, electronic fund transfer fees received from local governments may offset such losses of income.

**C. Government Sector Impact:**

Local governments will gain additional flexibility and administrative efficiencies in paying their expenses.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

# 1 by Comprehensive Planning:

Technical amendment.

This amendment expands the types of payments or transactions local governments could pay by means of electronic funds transfer to include expenditures or other disbursements, evidenced by an invoice or other appropriate documentation.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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